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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

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E.O. 12958: N/A
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SUBJECT: SPECIAL ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Secretary Rice to Israel, West Bank, October 14-18, 2007

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Key stories in the media:

Ha'aretz and Israel Radio reported that today Secretary of State

Condoleezza Rice will visit Bethlehem and meet with Israeli and Palestinian figures, including PM Ehud Olmert and PA Chairman [President] Mahmoud Abbas. Media reported that on Tuesday in Cairo Secretary Rice did not rule out the possibility that the Annapolis

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meeting could be postponed. Ha'aretz quoted Rice as saying last night at a dinner for 20 leading Israeli opinion-makers that the time has come for an agreement between Israel and the PA and that the joint document does not have to include dates for starting and concluding the negotiations. The mass-circulation, pluralist Yediot Aharonot reported that in her talks in Israel and Egypt, Secretary Rice said that in the absence of progress in the diplomatic process, Al Qaida would take over the territories. A headline in the nationalist, Orthodox Makor Rishon-Hatzofe reads: "Rice Leaving without a Date for the Conference."

Ha'aretz and Yediot reported that the Pakistani Ambassador to the UN told Israeli Ambassador Danny Gillerman that his country is interested in participating in the Annapolis meeting. They quoted Gillerman as saying that the Pakistani Ambassador expressed surprise that his country has not been mentioned as a possibly invitee.

Ha'aretz reported that Tony Blair is proposing the creation of a tripartite committee that would press for reforms in the Palestinian security organizations and for improvements in the freedom of movement in the West Bank. Blair calls his plan QThe Rapid Effect Project,Q and he thinks that in the coming month or two, it will be necessary to carry out a series of high-profile actions to show the Palestinians that their lives will improve.

Makor Rishon-Hatzofe quoted Ghazi Hamad, the spokesman of the Palestinian government in Gaza, as saying that Hamas is willing to negotiate with the "Israeli occupation."

Yediot reported that Syrian President may be trying to resume contacts with Israel. In the lead story of a special late edition, the newspaper quoted a report that an official Syrian representative at the UN has admitted that Israel attacked a nuclear installation in September.

Israel Radio reported that in their talks in Washington on Tuesday, Defense Minister Ehud Barak and US Defense Secretary Robert Gates agreed to set up a committee to look into establishing a ballistic and short-range missile defense system in Israel. The radio also reported that the two discussed the Arrow-2 defense system.

All media quoted Hizbullah Secretary-General Sheikh Hassan Nasrallah as saying on Tuesday that there was "positive progress" in negotiations to swap captive IDF reservists Ehud Goldwasser and Eldad Regev for Lebanese prisoners in Israel, leading to speculation that the Lebanese terrorist Samir Kuntar would be freed. Nasrallah was quoted as saying that he did not have anything to say that would shed light on the fate of Israeli MIA Ron Arad's fate. The Jerusalem Post reported that sources in the Prime Minister's Office had no comment on Nasrallah's speech, saying only that "Israel listens carefully when he speaks." The sources would also not discuss the nature of the information handed over to Israel. Israel Radio quoted sources in Jerusalem as saying that Israel will not give up on the failed second stage of a 2004 prisoner exchange between Israel and Hizbullah that included Israel's expectation of receiving information on Arad. All media quoted Germany's federal prosecutor as saying on Tuesday that two men convicted of assassinating Iranian opposition figures in 1992 would be released, despite a plea by Arad's family.

Leading media reported that on Tuesday two Palestinians were killed in a clash with IDF troops in Nablus.

The general tone in the Israeli media (in particular, Ha'aretz's lead editorial) is that during his visit to Tehran on Tuesday, Russian President Vladimir appeased Iran on the issue of its nuclear program.

Yediot reported that during his last meeting with President Bush, PM Olmert asked for the release of convicted spy Jonathan Pollard.

Secretary Rice to Israel, West Bank, October 14-18, 2007:

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Summary:

Washington correspondent Shmuel Rosner wrote in the independent, left-leaning Ha'aretz: "Like many before her, Rice failed by demonstrating the arrogance of the mediator -- the absurd assumption that all that is lacking in order to solve the Arab-Israeli conflict is the charismatic presence of an experienced diplomat."

Liberal op-ed writer Uzi Benziman commented in Ha'aretz: "The visiting Secretary of State may rightly doubt whether Olmert's leadership abilities, and his ability to deliver the diplomatic goods, are any better than those of Palestinian Authority Chairman Mahmoud Abbas."

Former Ambassador to the US, former Minister of Foreign Affairs, and former Minister of Defense Moshe Arens wrote in Ha'aretz: "Olmert, Livni, and Barak are about to take Israel for a ride, which will end up costing Israel a great deal -- a ride to Annapolis."

Eran Shayson, the analyst team leader at the Re'ut Institute, a non-partisan advisory organization to the Government of Israel, wrote in the popular, pluralist Maariv: "Israel must brace for a failure of the talks.... As far as Israel is concerned, the goal of the Annapolis conference should first and foremost be the strengthening of the two-state principle as the foundation for the diplomatic process."

Block Quotes:

II. "One Mistake in the Fall"

Washington correspondent Shmuel Rosner wrote in the independent, left-leaning Ha'aretz (10/17): "We can start from the end: It was a mistake -- not necessarily the decision to convene an Israeli-Palestinian peace summit in Annapolis or a 'meeting,' as the Americans insist on calling the event, but the early announcement of the planned timetable.... US Secretary of State Condoleezza Rice made a mistake, and also tripped up President George W. Bush, when she dragged him into accepting this timetable.... Like many before her, Rice failed by demonstrating the arrogance of the mediator -- the absurd assumption that all that is lacking in order to solve the Arab-Israeli conflict is the charismatic presence of an experienced diplomat.... The US Secretary of State in recent years has moved between too much interference in petty matters: On the one hand, as in her decision to make the effort to achieve the 'crossings agreement' in Gaza, which was never implemented; and a lack of concentration regarding important core issues on the other, as in her unrealistic agreement to enable Hamas to participate in the Palestinian elections. In both cases she twisted Israel's arm, and in both she was mistaken.... Pessimistic observers already believe that it would be better to postpone [the fall meeting] to a more propitious time, while the more optimistic are trying to propose means of saving it from collapse. Therefore, as the tired joke goes, the principle has already been laid down. Now all that remains is to argue about the price that all the parties will pay for this mistake."

II. "Leaving Annapolis Unscathed"

Liberal op-ed writer Uzi Benziman commented in Ha'aretz (10/17): "Even if Olmert's tone is different in his meetings with the Secretary of State, and even if Foreign Minister Tzipi Livni softens

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her position, the image Rice is getting is that of a recalcitrant government that is not eager to avail itself of the international summit next month to achieve peace with the Palestinians. Instead, the impression is that this government merely aspires to emerge from the summit unscathed; in other words, not to damage its relations with the US.... In retrospect, the picture that emerges from the

meetings Rice had is one of division in the Israeli leadership, which is similar to the instability of the Palestinian leadership. The visiting Secretary of State may rightly doubt whether Olmert's leadership abilities, and his ability to deliver the diplomatic goods, are any better than those of Palestinian Authority Chairman Mahmoud Abbas."

III. "No Free Ride"

Former Ambassador to the US, former Minister of Foreign Affairs, and former Minister of Defense Moshe Arens wrote in Ha'aretz (10/17): "As is well known, there is no such thing as a free lunch. And unlike what some people might believe, there are also no free rides. Yet Olmert, Livni, and Barak are about to take Israel for a ride, which will end up costing Israel a great deal -- a ride to Annapolis.... How has Mahmoud Abbas suddenly become a 'partner for peace?' The answer is, we made him into a partner for peace. The withdrawal from Gush Katif brought Hamas to power, turned the Gaza Strip into a hotbed of terrorism, and left Abbas without a mandate to conduct Palestinian affairs. Now that Hamas has rid itself of Abbas -- or in Olmert's upside-down world, Abbas has rid himself of Hamas -- here comes the partner for peace. None other than Mahmoud Abbas. Here is the law of unintended consequences, at least for those who cannot see beyond their own nose. By unilaterally uprooting the settlers in Gush Katif because 'there is no partner for peace,' the Olmert government has with its own hands created a partner for peace.... But there are no free rides. The Israeli government's readiness to make these concessions will be firmly set in the court of public opinion. It is not going to be easy retracting those concessions. Of course, our Foreign Minister, Tzipi Livni, believes that these concessions are for our own good. It seems that we have heard this song before. Remember Gush Katif? That was also supposed to be for our own good."

IV. "The Strategic Threat of the Palestinian Authority Falling Apart"

Eran Shayson, the analyst team leader at the Re'ut Institute, a non-partisan advisory organization to the Government of Israel, wrote in the popular, pluralist Maariv (10/17): "The failure of the diplomatic process might spell the demise of the moderate Palestinian camp and the principle of a historic compromise. The combination of a potential Palestinian demand for one state, a basic delegitimization of Israel, and continued tension between Israel and its Arab citizens, might accelerate a reversal of positions among leading states and institutions in the international community vis-à-vis the solution of the Israeli-Palestinian conflict.... Israel must brace for a failure of the talks. Key principles of such preparedness are the strengthening of the institutions of the Palestinian Authority and ensuring the principle of separation between Israel and the Palestinians through the use of unilateral or agreed-upon steps. As far as Israel is concerned, the goal of the Annapolis conference should first and foremost be the strengthening of the two-state principle as the foundation for the diplomatic process."

JONES